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SUBJECT: EGYPT: COUNTRY TEAM ASSESSMENT FOR THE PROCUREMENT OF TWELVE (12) AH-64D APACHE HELICOPTER (BLOCK II) WITH MTADS TO SUPPORT THE GOVERNMENT OF EGYPT,S (GOE) RECONNAISSANCE AND BORDER SECURITY MISSIONS.

REF: A. A. GOE MINISTRY OF DEFENSE LETTER OF REQUEST (LOR) 08-135 FOR LETTER OF OFFER AND ACCEPTANCE (LOA) DATED 15 JUL 08.
[1](#)B. ATTACHMENT 1 TO LOR 08-135 TOTAL PACKAGE REQUIREMENTS FOR CASE DEVELOPMENT DATED 15 OCT 08.
[1](#)C. USASAC LETTER FOR BLOCK II APACHE PROCUREMENT TIMELINE DATED 16 JUL 08.

[1](#)1. (SBU) Description. In REF A, The GOE submitted a request to procure twelve (12) AH-64D Helicopters (BLK II) with the Modernized Target Acquisition and Designation System (MTADS), the required infrastructure/facility upgrades, logistical and technical support requirements. This case will include an additional (36) MTADS kits to modernize current fleet of aircraft with spares and software upgrade for Longbow Crew Trainer (LCT). These aircraft will perform Reconnaissance and Security missions for the EAF, as well as support the Ministry of Defense (MOD). These aircraft will perform tasks associated with Airborne Reconnaissance, Border Security and Defense, as well as night Search and Rescue missions with the MTADS. All missions will be in compliance with the standards and regulations outlined within current international and regional agreements. Additional information is available at www.mmc.gov.eg.

[1](#)2. (SBU) Reason the purchaser desires the articles or services. Recent events throughout Egypt and the region with regard to border security, as well as the Egyptian Air Force,s efforts to modernize their existing Apache Helicopter fleet support the GOE initiative. These additional aircraft will replace combat capability due to the loss or retiring of older airframes. This procurement is in concert with the GOE 2025 Plan to increase the Apache force structure to a preplanned level to perform all required missions. The AH-64D (Apache) helicopter with MTADS and improved mission equipment was identified by the U.S. Army and Apache Program Manager more than a year ago, as a suitable rotary-wing platform to support the GOE specific mission requirements. The procurement of additional Block II Apaches is the next logical step to ensure the continued modernization of the EAF fleet, long-terQsustainability with the U.S. Army and interoperability with other GOE allies. This action will greatly increase the overall capability of the EAF to support attack helicopter operations across multiple mission profiles. In addition, this new case will incorporate the total package requirements to address much needed program improvements in the areas of training, infrastructure and airfield operations. An increase in aircraft availability will enhance the overall readiness of the fleet and individual aviator proficiency.

[1](#)3. (SBU) How the articles or services would affect the recipient,s force structure. The EAF originally procured 36 AH-64A Helicopters in 1994 and contracted the remanufacturing of 35 aircraft from A to D model for \$440 million from 2001-2006. Since the inception of the program, the EAF have

had two incidents that resulted in the total loss of both aircraft. The EAF completed the D Model aircraft upgrade in 2006 and currently operate and maintain 34 AH-64D aircraft at Abu Hammad and Katamaya Air Bases. There will be no change to the existing mission and primary roles of the AH-64D. These additional aircraft would substantially assist the MOD and EAF with allocating additional resources to the various missions.

¶4. (SBU) How the articles or services would contribute to both the U.S. and the recipient's defense/security goals. Aircraft sales are consistent with DOD's Security Cooperation Guidance as it enhances the territorial security and crisis response capabilities of regional states. It assists the U.S. in enabling allies and partners, while also protecting U.S. and partner interests. It supports the modernization and transformation of allies or partners to reduce their vulnerability to external military sales. Finally, it improves their ability to operate independently without significant reliance on U.S. or coalition Forces. These additional aircraft will significantly increase the amount of OCONUS-US based training; joint training exercises and may possibly influence the frequency of coalition operations with the US and its other allies.

¶5. (SBU) Justification for the type and quantity of articles or services requested. The EAF completed a detailed analysis and review of several suitable airframes with input from the Apache Program Management Office and the Apache Program Manager at the Security Assistance Management Directorate (SAMD). Their findings revealed that the AH-64D with MTADS is an excellent airframe to support the various GOE missions. The procurement of these aircraft is a natural progression to modernize assets and significantly improve an existing capability while closely mirroring the U.S. force structure.

¶6. (SBU) Combatant Commander's concurrence to the introduction of a new warfighting capability to the nation or region. Combatant Commander's concurrence will be provided separately.

¶7. (SBU) Anticipated reactions of the neighboring nations. The procurement of these additional attack helicopters should not influence the regional balance of power or cause negative reactions from any of Egypt's neighbors. This procurement introduces an increase in capability for Egypt, but does not introduce new technology region or international customers. Several international customers have recently purchased similar airframes through the Foreign Military Sales (FMS) or Direct Commercial Sales (DCS) programs, with U.S. concurrence. These assets will greatly enhance Egypt's ability to participate in combined regional training exercises, as well as night search and rescue missions. This procurement will not impact Israel's qualitative military edge.

¶8. (SBU) Assessment of the nation's ability to account for, safeguard, operate, maintain, and support the articles. The GOE has demonstrated the intent and ability to protect sensitive, classified military technology over an extended period. Egypt signed a General Security of Information Agreement with the U.S. and as a customer, has purchased and protected the sensitive technology of other U.S. weapons systems. Egypt has procured similar rotary-wing aircraft in the past to include thirty four (34) AH-64D Helicopters that currently provide support to the EAF and MOD. The preponderance of Apache helicopters are located at Abu Hammad Air Base, with approximately a third of the fleet located at Katamaya Air Base for training. The EAF has met all previous security and End Use monitoring (EUM) requirements.

¶9. (SBU) Training required either in-country or in the United States and anticipated reactions resulting from the presence of U.S. trainers in country. The EAF already maintains a Wing of thirty-four (34) AH-64D Helicopters. The majority of EAF pilots and maintenance personnel currently complete all AH-64D Apache Aviator Qualification Courses (AQC), Instructor Pilot Courses (IPC), Maintenance Test Pilot (MTP) Courses,

Flight Engineer and maintenance related courses in the U.S. The addition of twelve (12) aircraft will increase the EAF, stateside training requirements by more than twenty-six (26) AOCs, three (3) IPCs, three (3) MTP courses and fourteen (14) aircraft maintenance related courses. There is no requirement for an additional Mobile Training Team (MTT). The continue presence of the Apache Technical Assistance and Fielding Team (TAFT) is required to support the fleet throughout the duration of aircraft delivery. The presence of U.S. trainers in country will have little anticipated reaction because of the long-term existence of Security Assistance Teams (SATs) already assigned in country.

¶10. (SBU) Possible impact of any in-country U.S. presence that might be required as a result of providing the article. U.S. Government civilian personnel and U.S. contractors are permanently assigned to Egypt to support the current EAF AH-64D program. Those US positions have been filled for over ten years. There is an expected increase of US personnel in country that would be necessary to support the arrival, bed-down and sustainment of the additional aircraft maintained at two locations resulting from this procurement. A majority of the personnel will be on temporary duty status and very few positions will require additional personnel to remain in Egypt for more than one year. Additionally, U.S. Government teams and U.S. contractor teams routinely travel to Egypt to support the various weapon systems procured through the U.S. FMS programs. There is no anticipated negative impact that would result from the continued presence of these Americans in Egypt.

¶11. (SBU) Source of financing and the economic impact of the proposed acquisition. Egypt plans to procure these twelve (12) aircraft utilizing Foreign Military Financing and has already allocated sufficient funds within their FY09-FY15 budget. This acquisition is essential for the GOE to conduct Airborne Reconnaissance, Border Security and Defense, as well as night Search and Rescue missions. This requirement is on both the FY09 JAVITS Report and the Egyptian Armament Authority (EAA) Priority List. Egypt is not planning to use national funds to pay for any portion of this procurement. The economic impact of the proposed acquisition will generate more than \$650 million dollars for the U.S. Army's Program and the U.S. economy. The immediate sale of these Block II aircraft is critical as the Apache manufacturing line converts to Block III aircraft in 2011 to support the total U.S. Army fleet conversion over the next seven years. The International Apache Program office and U.S. Army Security Assistance Command (USASAC) have advised the EAF in formal correspondence (REF C) that in order for Egypt to secure its position in the aircraft build line and delivery schedule, an LOR must be submitted to USASAC NLT DEC 08, with LOA implementation NLT 30 JUL 09.

¶12. (SBU) Human rights considerations relevant to the proposed acquisition. None.

¶13. (SBU) A plan for end-use monitoring for sensitive and advanced war fighting technology and the SAO's plan for compliance verification. The Office of Military Cooperation (OMC) Egypt has a robust Golden Sentry Program. The Golden Sentry Program representative and Security Assistance Officer (SAO) responsible for the program, will coordinate for the review and maintenance of required documentation. All parties will maintain serial number lists of all components within the inventory or transferred, and will conduct the mandated inspections as required. This coordination will ensure that historical copies of all EUM Inspection results and customer's physical security and accountability control plans remain on file. The Egyptian military currently has over 100 helicopters (FMS) of various configurations in country. Egypt has maintained accountability and security of these aircraft without unauthorized loss, theft, or access to date. The GOE has indicated a willingness to meet U.S. guidelines for accountability and security of these advanced aircraft, and the Office of Military Cooperation will conduct End Use Monitoring (EUM) of all required components if this request is approved.

¶14. (SBU) Recommendation whether the USG should approve transfer of the article and justification. The country team supports the USG approval of the GOE procurement of up to twelve (12) additional AH-64D helicopters. This purchase will increase combat capability, replace aging/obsolete aircraft and address major shortfalls in the current AH-64D program. It will give the USG an opportunity to promote better interoperability by encouraging increased joint and/or combined operations. Funds from this case will be utilized to address current shortfalls in operational/maintenance formal training, base support infrastructure and English language training. However, this request is the lowest priority of the EAF,s four current aircraft procurement requests (C-130J, CH-47D, F-16 and AH-64D). The EAF under utilizes their current AH-64Ds and does not face an immediate threat. The purchase of additional airframes should in no way diminish the amount of follow-on support for the current fleet. Also, there will be funding lines in the Letter of Acceptance for training, to include pilot and English language and infrastructure for overall base improvements. Particulars for the infrastructure and training are contained as an attachment to the Letter of Request. This is a coordinated mission position.
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